

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7137**

**BILL NUMBER:** HB 1564

**NOTE PREPARED:** Jan 2, 2003

**BILL AMENDED:**

**SUBJECT:** IURC Jurisdiction over Mergers.

**FIRST AUTHOR:** Rep. Moses

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**    **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill provides that, except in the case of rural electric membership corporations and certain nonprofit corporations, the following transactions require approval by the Indiana Utility Regulatory Commission (IURC) after a hearing: (1) The reorganization of a public utility. (2) A transaction in which a public utility acquires control of another public utility, an out-of-state utility company, or a holding company. (3) A transaction in which a person acquires control of a public utility or the holding company of a public utility. (4) A transaction in which a holding company that controls at least one public utility acquires control of an out-of-state utility company.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:** This bill will increase the authority of the IURC over mergers, reorganizations, or the acquisition of control of certain public utilities. While this bill will expand the IURC's authority over mergers and reorganizations and potentially increase the number of hearings held by the IURC, any impact is expected to be absorbed using resources currently available to the Commission. The Office of the Utility Consumer Counselor (OUCC) would also participate in any utility merger approval proceedings. Any additional cost to the OUCC is also expected to be covered using existing personnel and resources.

*Background on IURC and OUCC Funding:* The operating budgets of the IURC and OUCC are funded by regulated utilities operating in Indiana. The IURC determines the rate at which to bill the utilities based on the two agencies' budgets, less reversions, divided by the total amount of gross intra-state operating revenue received by the regulated utilities for the previous fiscal year. Based on this formula, utilities are currently billed approximately 0.10% of their gross intra-state operating revenues to fund the IURC and OUCC. In

FY 2002, fees from the utilities and fines generated approximately \$9.5 M.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Utility Regulatory Commission; Office of the Utility Consumer Counselor.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** John Parkey, 317-232-9854